

ADMINISTRATIVE
INTERNAL USE ONLY

8 DEC 1970

MEMORANDUM FOR: Director of Logistics

SUBJECT : A Review of the [REDACTED] Acquisitions

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1. A review of the acquisition of the [REDACTED] highlights facts already well known. Acquisition of property to meet the particular needs of this Agency is an undertaking by the Office of Logistics (OL) that involves a large number of organizations with different responsibilities. At a minimum, there are frequent negotiations and exchanges of information with the General Services Administration (GSA), the lessor and, occasionally, the lessor's contractors. Within the Agency, the Offices of Communications and Security have important inputs that effect the utilization of the building. The manner in which these contacts are conducted, the thoroughness in following up details, and the necessity for meshing various requirements on a timely basis bear major responsibility for the final product.

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STATINTL 2. A common problem shared by both the [REDACTED] projects revolves about the lease. In both cases, a more favorable position for the U. S. Government could probably have been negotiated if requirements were better understood and negotiated with the owners as part of the lease. In particular, negotiations at [REDACTED] for elevator service, parking facilities, and security barriers could have been more effective if made part of the lease arrangement. At [REDACTED] the urgency to obtain the property forced acquisition on an as-is basis rather than at the completion of renovations. Since the lessor was receiving rent, he was not motivated to complete renovations quickly. Once any lease is signed, the U. S. Government's bargaining power is generally reduced to the payment of additional funds.

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3. Change orders on any major project are part of the real world and while good planning can reduce the scope and volume, changes must be accepted as such. In addition to the \$113,000 originally requested for renovations, change orders for the [REDACTED] Building amount to about \$25,000. In addition to the \$10,000 estimate for elevator programming, change orders covered security alarms, fire alarms, security requirements for partitioning, minor items such as stair treads, capping of electrical and telephone outlets, conduiting, and secure telephones. These change orders were received over a period of months and required close followup to insure the project completion date stayed

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on schedule. As an example, the change order requiring a security alarm system, received 28 October 1970, required careful followup because of the participation of an A&E firm, competitive bidding by contractors, and the necessity of completing structural work related to the alarm system.

4. A major problem area results when a component such as the Office of Security (OS) does not provide its input on a timely basis and/or significantly changes its input late in the acquisition process. Components must provide timely input in the planning process to meet requirements. For example, if requirements for the security alarm system were known during the planning stage, this installation could have been handled by GSA on a routine basis rather than a crash project on an overtime basis through the Agency contracting system.

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5. As a side comment, and one also well known, OS should not be permitted to enforce security controls on traffic corridors, whether elevators or staircases, without a thorough study of traffic requirements. In the case of [REDACTED] no such survey was conducted. While the programming determined by OS may function fine, it will be the result of a calculated judgment, not well designed planning.

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6. The [REDACTED] was acquired and renovated with the assistance of an OL engineer/project officer. While the process was inhibited by a lessor lacking motivation to complete the renovations, the single point of contact served to highlight problems and keep them in the attention of senior management. This officer also served a catalytic function in keeping GSA informed of the delays on the project.

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7. The division of responsibility in acquiring [REDACTED] was shared among Building Planning Staff, Logistics Services Division, and Real Estate and Construction Division (RE&CD). Such sharing of responsibility is more liable to create gaps unless carefully monitored by senior management. In such cases, the use of a single control or project officer offers direct advantages. While the assignment of a project officer cannot insure against a radical change late in a project or changes based on late identification of tenants, it does provide management an opportunity to be informed early, hopefully with time to take corrective action. The use of the project officer control on major projects is certainly recommended for future use.

8. A project officer should be identified as early as practical in the process and preferably come from the division most concerned with the project. In some cases, it may be wise to appoint a project officer from the Office of the Director of Logistics if a project is particularly sensitive or carries a large measure of "executive interest."

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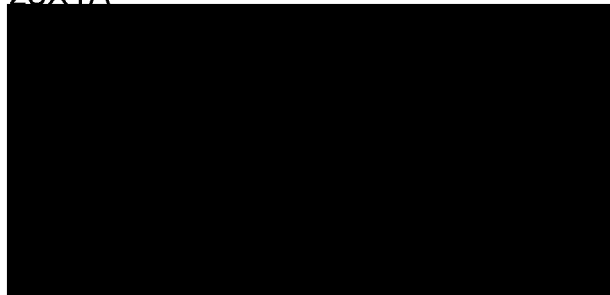
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Most important, however, is the early assignment of the individual and the assurance that this officer will receive full cooperation of the divisions concerned.

9. A general project checksheet used by RE&CD is attached. This sheet contains the basic items concerning approvals, coordination, and requirements needed to prepare a tailored checklist for a major project. Rather than attempt one list for all projects, it is believed this instruction can serve well as a starting point for a major undertaking. Requirements vary greatly from office space to canopy projects or power house expansion, but with the general guidance contained in the attachment, a firm starting position is available for project officer control.

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cc: OL/BPS, w/att ✓
OL/LSD, w/att
OL/RE&CD, w/att

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ORIGINAL DOCUMENT MISSING PAGE(S):

Missing Attachment